



# SUSANVILLE INDIAN RANCHERIA

May 14, 2007

Philip N. Hogen, Chairman  
Attn: Penny Coleman  
National Indian Gaming Commission  
1441 L Street, NW, Suite 9100  
Washington, DC 20005

RE: Draft of Proposed Changes to NIGC Regulations

Dear Chairman Hogen and Vice Chairman Choney:

The Susanville Indian Rancheria has a serious concern with the draft proposed changes to NIGC regulations. We object to the NIGC's wholesale change in the definition of "net revenues". By striking the word "gaming" from the definition, the NIGC would greatly expand its reach over non-gaming revenue streams. It is inconceivable that Congress contemplated, or IGRA even allows, that entertainment revenue, restaurant revenue, and other forms of non-gaming revenues are to be included in the calculation of tribal gaming net revenues. The Susanville Indian Rancheria objects to the NIGC's change and the definition of net revenues should continue to include the qualifier "gaming".

Regarding the Commission's efforts to update and amend the audit standards, we support these changes and other minor technical adjustments. Consolidating audits should relieve some of the regulatory burdens on tribal regulators. However, we would like to note that the Commission is carrying out these changes as part of the authority granted under Public Law 109-221. The law raised the NIGC's fee cap from \$8 million to a floating fee of 0.08% of gross Indian gaming revenue. With estimated gross Indian gaming revenues of over \$25 billion in 2006, the fees collected from tribes are in line to increase another \$3.0 million. However, Congress did not adjust the NIGC fee schedule without demanding some type of accountability for its budget process.

P.L. 109-221 holds the Commission accountable for its budget through application of the Government Performance and Results Act (GPRA). GPRA requires the NIGC to submit a 5-year strategic plan to the Office of Management and Budget (OMB) for review. To date, the NIGC has not complied with this mandate. Further, the NIGC is to provide added training and technical assistance to tribal regulators. The language in Senate Report 109-122 states:

"In keeping with the long-standing Federal policy of tribal self-determination, and the corollary policy of maintaining government-to-government relations, the Committee strongly encourages the NIGC, consistent with its regulatory responsibilities, to work with tribal governments on a government-to-government basis in the development of regulatory policies, standards and definitions, which

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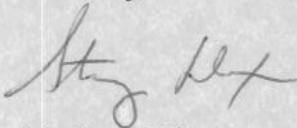
may include, where appropriate, the use of tribal advisory committees and negotiated rulemaking.”

Training and technical assistance to tribal regulators is a positive step in promoting a government-to-government relationship and is also an effective mechanism to avoid the NIGC’s duplication of tribal government regulatory efforts.

We urge the NIGC to comply with GPRA and begin providing technical assistance to those tribes that have requested such help. Moreover, strengthening the NIGC’s technical assistance and government-to-government relationship with tribes would acknowledge that: 1) tribal regulation of Indian gaming is an exercise of Indian sovereignty, just as state regulation of state lotteries is an exercise of state sovereignty; and 2) tribal funding for tribal, state, and Federal regulation is significant and the substantial efforts of Indian tribes to fulfill IGRA’s regulatory requirements is deserving of greater recognition by the NIGC.

Thank you for your thoughtful consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stacy Dixon", written over a horizontal line.

Mr. Stacy Dixon  
Tribal Chairman

Cc: Susanville Indian Rancheria Tribal Business Council  
Susanville Indian Rancheria Gaming Commission  
Diamond Mountain Casino General Manager